

Kenya

Status Index (Democracy: 2.2 / Market economy: 2.4)		Management Index	
4.6		2.4	
System of government	Autocracy/ Presidential democracy	Population	31.1 mill.
Voter turnout	57.2 % (2002)	GDP p. c. (\$, PPP)	980
Women in Parliament	7.1 %	Unemployment rate	14.6 % (1999) ^c
Population growth^a	3.2 %	HDI	0.489
Largest ethnic minority	No dominating ethnic majority ^b	UN Education Index	0.73
		Gini Index	44.5 (1997)
<p>Data for 2001 – if not indicated otherwise. ^a Annual growth between 1975 and 2001. ^b Not counting the numerous ethnic subgroups, the most important ethnic groups and their percentages of the population in 2000 were the Kikuyu (18.46 %), Luhya (14.28 %), Luo (10.8 %), Kalenjin (12.1 %), Kamba (11 %), Kisii (6 %) and Meru (6 %). The remainder is divided among other groups. About 1 % of the population is Europeans, Arabs and East Indians. ^c official figure. Source: UN Human Development Report 2003.</p>			

1. Introduction

The elections of December 27, 2002, marked the end of an era in Kenya's political history. The victor in the presidential and parliamentary elections was the National Rainbow Coalition (NARC), a broad alliance of almost all opposition parties. The new president-elect was 71-year-old Mwai Kibaki, chairman of the Democratic Party (DP). The opposition leader's overwhelming victory became possible when President Daniel Arap Moi, who had been in office since 1978, obeyed the constitution by not running for another term. Instead, he sent Uhuru Kenyatta, the son of the nation's founder Jomo Kenyatta, into the race.

The Kenya African National Union Party (KANU), which had ruled for 39 years, lost its parliamentary majority. While NARC won 125 seats, KANU won 64 and another four parties combined won 21. Of the 12 parliamentary seats to be filled by nomination proportionally to the parties' strengths, NARC has seven. It therefore holds a majority of 132 to 90 in the country's single-chamber parliament.

Because the period examined in this study is between 1998 and the beginning of 2003, developments occurring since the end of December 2002 are not included in detail. When Moi won the 1997 elections, it was partly because of diverse forms of manipulation and a strategy of intimidating adherents to the opposition and partly because the opposition was divided and could not settle in advance of the elections on a joint candidate for the presidency. As the 1997 election results showed, such a joint candidate could have won a majority of the votes.

In political terms, between 1998 and 2003, Kenya was among the large number of sub-Saharan African states where the democratization process begun early in the 1990s could not be completed successfully because neither the government nor the system changed. Democratic transformation stagnated. Nevertheless, it would be a mistake to regard Kenya as a purely authoritarian state. Since 1990 a broad movement for democracy and occasional heavy pressure from the community of donors have helped achieve some progress toward greater liberalization and pluralization in the country.

Moreover, after the 1997 electoral debacle, the opposition parties and civil-society groups steadily worked toward reform. But, through an adroit mixture of repressive measures, minor concessions to the opposition and successful cooptation of numerous leading opposition politicians, the president and KANU were able to slow the process of democratization to a snail's pace—or even block it almost entirely.

The president's Machiavellian policy of "divide and conquer" also involved playing the ethnic card: Latent conflicts among ethnic groups were stoked up and used as political tools. All in all, Kenya can be described as a political system in the gray zone between democracy and autocracy. Meanwhile, the country's economic crisis grew more acute during the period under study. Corruption and mismanagement, extreme even by African standards, were the main reasons why broad segments of the Kenyan population were impoverished, investment sagged from home and abroad both, and donors cut back their developmental cooperation. Hence the country's progress toward transformation was low overall.

2. History and characteristics of transformation

The country's history as a democracy is brief. In 1963, after a guerilla war that included the Mau Mau revolt, Kenya gained independence from British colonial domination that had begun in 1896. The country then became a single-party state, *de facto* in 1967 and *de jure* in 1982. The political history of this former British colony has been shaped by the two presidents it has had in its 40 years of independence—Jomo Kenyatta and Daniel Arap Moi. Both held the country under authoritarian rule with the assistance of the state party, KANU, which was expanded into an instrument of patronage.

But the neopatrimonial nature of political rule changed when Moi took office. The ethnic balance of the government in multi-ethnic Kenya was shifted in favor of the numerically smaller ethnic groups. Kenyatta had filled key positions in the administration, army and government with members of his own group, the Kikuyu. After Moi took office in 1978, these positions were gradually filled with members of the Kalenjin (Moi's own ethnic group), the Masai and others.

Politically, after a failed coup in 1982, the country evolved in an increasingly authoritarian direction. Systematic human rights violations were routine, especially in the 1980s. Economically, the country failed to take advantage of its favorable assets, including an intact infrastructure. Although Kenya retained a market-economy orientation, mismanagement and corruption emphatically impeded economic development. By the mid-1990s, the country was worse off than at independence. Despite massive investment in social programs, the great majority of Kenyans live in poverty.

Faced with the extensive failure of development and ongoing human rights violations, in the mid-1980s, a broad civil-society opposition movement began to form, supported by such groups as churches, journalists, students and the Kenyan bar association. KANU functionaries who had fallen out of favor increasingly joined the movement. This extremely diverse opposition was united by the demand for the introduction of a multiparty system. The government responded by arresting opposition members and prohibiting opposition activities. Domestic pressure on the government grew steadily, but it was only massive pressure from donor states that forced the government to permit a multiparty system. With the end of the conflict between the East and West, Kenya lost its strategic importance as a loyal Western ally, and donors' criticism of human rights violations and corruption sharpened.

In November 1991, the Club of Paris decided to grant urgently needed loans only if reforms were permitted. This pressure induced the Moi government to allow a multiparty system through a constitutional amendment in December 1991. By spring of 1992, the opposition movement had already split into three parties in which civil-society forces hardly played any role. These parties mostly represented vehicles for the ambitions of their leaders, who recruited along ethnic and regional lines. The Moi government was able to win the December 1992 elections by exploiting government resources to defeat the divided opposition parties, whose platforms had little convincing content to offer. This constellation of a government clinging to power with every means at its disposal, and a disorganized opposition, repeated itself in the 1997 presidential elections, which Moi won again, albeit with a smaller majority.

Since as far back as 1992, the political disputes between the government and the opposition—especially the civil-society opposition—had focused on the issue of a new constitution. Shortly before the 1997 elections, under pressure from within and without, the government undertook to amend the constitution, but the changes remained very limited. For example, the president's all-inclusive powers were left untouched.

Relations with donor states remained tense. The process of constitutional reform was not continued until 1997, when the donors again imposed credit sanctions, due to the government's half-hearted anti-corruption policies. The process proved extremely difficult. There were two constitutional commissions, one appointed by

the government and one formed from civil society, and compromise between these bodies seemed impossible. Finally, in November 2001, the renowned law professor Yash Ghai was able to merge the two commissions. Now that the opposition has achieved electoral victory, it can be expected that the commission will submit a far-reaching draft constitution.

The nearly decade-long blockade against democracy and reforms has carried the country to the brink of a social, economic and political abyss.

3. Examination of criteria for democracy and a market economy

3.1 Democracy

Kenya's political and economic transformation has been essentially paralyzed. Severe deficits existed in the rule of law, separation of powers, good governance and political institutions' ability to perform.

3.1.1 Political organization

(1) *Stateness*: No group has questioned Kenya's cohesion as a state. No ethnic group in this multiethnic state has been denied citizenship, but the government and KANU have put some regions and ethnic groups at a disadvantage, in order to retain political power. State institutions exercise a monopoly of power, except in certain northern parts of the country, where armed groups of criminals, especially coming from neighboring Somalia, endanger security. State administrative structures exist nationwide, but they have functional deficiencies in some places.

(2) *Political participation*: Elections are held regularly at the national level. The parliamentary, presidential and municipal elections are held simultaneously, and these were neither free nor fair in 1992 and 1997. The definition of voting districts and manipulation of voter registration put opposition parties at a significant disadvantage. The president appointed the members of the electoral commission. Moreover, security forces took violent action against supporters of the opposition. Intimidation and arrests were routine during the election campaign. Opposition candidates could not run for office in the regional strongholds of the governing party. The government made massive use of state resources in the election and ensured that opposition parties received scant attention in the state-controlled media.

The number and range of civil-society organizations in Kenya has expanded substantially since the early 1990s. However, freedom of organization and freedom of opinion of certain groups and media who were critical of the regime were only partially respected, even though these freedoms are guaranteed by law.

(3) *Rule of law*: Kenya was not a state under the rule of law. This was particularly evident in the periodically recurring ethnic conflicts in the central region of the Rift Valley and the coastal region around Mombasa. The Rift Valley conflicts, which occurred during 1991–93, were over dwindling land resources; the conflicts around Mombasa were over political power. Studies published in the mid-1990s indicate that security organizations tolerated brutal expatriations of members of some ethnic groups where majorities did not support the government. Deaths were in the hundreds. The forces of law and order also did not take any action against KANU politicians who openly incited this breach of the law. Widespread corruption of government representatives was almost never censured, and if it was, it only happened after donor states put pressure on the government.

Massive political roadblocks were thrown up against the investigation of Kenya's largest corruption affair, the Goldenberg scandal, involving faked export subsidies for diamonds. Kenya's system of justice was generally politicized, partisan and highly corrupt. A major reason for the lack of rule of law was the direct appointment of high judges by the president and the governing party—a situation that allowed KANU to interfere in judicial proceedings. Thus the separation of powers was disabled in Kenya.

Kenya's parliament was also unable to offer an effective countering influence against the dominant executive branch, because the parliament's powers are limited, the parliament was poorly equipped and delegates from opposition parties were willing to be co-opted by KANU. In 2002, the National Democratic Party (NDP), under its influential chairman Raila Odinga—whom Moi had previously arrested and who had also been tortured in prison—merged with the governing party to form the New KANU.

The human rights situation improved compared with the period from 1980 to 1991, but fundamental human rights were still commonly violated by security forces, and these transgressions were not prosecuted by the judicial system. Human rights violations were directed against both political opponents and accused or convicted criminals under arrest. The violations varied widely in scope. Especially during election campaigns, paramilitary bands of KANU youths systematically acted against opposition supporters or politicians. One positive note is that female circumcision was banned by law in December 2001, after parliament had refused to do so in 1996.

3.1.2 Political and Social Integration

After the 1997 elections, a total of 10 parties were represented in Parliament, including six major parties. Although the governing party did not hold a numerical majority in Parliament, opposition delegates broke ranks to vote with KANU and create informal coalitions with the governing party. Combined with the institutional weaknesses of Parliament, these coalitions enabled the

government to dominate the legislative branch, along with the executive and the judiciary.

All parties are only moderately anchored in society as a whole. The parties primarily represent regional and ethnic cleavages in a country where no ethnicity is dominant. Therefore political majorities can be achieved only through coalitions that cross ethnic and regional lines. This situation creates potential structural instability in the party system, as the past has shown.

Another fundamental weakness of all parties is their intense focus on individuals. This means that many parties are little more than personality cults. The parties' presentation of themselves, both internally and externally, concentrates entirely on the party chief. As a rule, the party chief comes from the Kenyan elite, usually has held a high office in KANU and has his own substantial financial resources, which enable him to bind followers to his party. Most parties' platforms are vague and interchangeable. They have had little success in formulating coherent strategies or alternative ideas on policy. Organizationally and financially, the parties that have no access to state resources are weak, because there is no state financing for parties.

All in all, Kenyan political parties represent the interests of broad segments of the population only to a restricted degree. The present party system is a potential obstacle to the country's democratic consolidation. The behavior of some parties and leading politicians has sapped the population's confidence in politicians and politics *per se*.

"Classic" interest groups, such as unions or business associations, have existed in Kenya since the 1960s. Because of their close affiliation to KANU, numerous interest groups have only limited autonomy. For this reason, labor unions have had almost no role worth mentioning. By contrast, professional associations—especially the journalists' association and bar association—and churches, play an important social and political role. The churches are also the only groups that are present nationwide in Kenya. Compared with the cities, there are substantially fewer organizations in rural areas. Self-help groups are the primary actors in rural regions. These groups are formed in response to the state's dwindling resource base. Many of these self-help groups represent family patronage relationships, and, as a rule, they are not democratically structured. Some also have contacts with organized crime.

The extensive informal sector in Kenya is poorly organized or hardly organized at all, as explained in section 3.2.1. Numerous "modern" civil-society groups, which emphasize democracy, human rights and women's rights, might not exist without financial support from abroad. Together with a few interest groups, they represent the core of a democratic civil society, which is broadly differentiated from the government, particularly in the cities, and has attempted to gain influence in politics. Except for some of these groups, located almost exclusively in the cities,

the Kenyan landscape of interest groups, and its civil society, is segmented along regional and ethnic lines.

There are no meaningful survey data on the Kenyan population's awareness of democracy. The low voter turnout of 57.2 % in 2002 can serve only as a flawed indicator of political participation, since there were politically motivated irregularities in voter registration. As the clear vote for the opposition at the end of 2002 showed, the majority of Kenyans favor more democracy.

3.2 Market economy

3.2.1 Level of socioeconomic development

The economic situation in Kenya has increasingly deteriorated, and the country is poor. More than 50 % of the total population, and 30 % of the urban population, live below the poverty line. The social crisis has intensified further since the mid-1990s. The average life expectancy in 2001 was only 48 years, and it is declining because of the AIDS epidemic. Estimates indicate that approximately 13 % of the population was infected with HIV in 2001. The low GDI index demonstrates that women have virtually no social security. The level of social inequality is medium for an African country, as the Gini coefficient of 44.5 shows.

The economic situation, and thus the social situation, deteriorated during the period under study. In response to the poor economy, the long-standing tendency for ever-broader segments of the population to escape into the informal economy has increased further still. The informal sector, known in Kenya as "jua kali" (Swahili for "fierce sun"), represents the income base for around 25 % of all households. Women are particularly active in this sector. Those who have jobs in the formal sector are frequently active in the informal sector as well. In general, broad segments of the population can be seen as excluded from formal economic life. It is clear that not all Kenyans have freedom of choice.

3.2.2 Market structures and competition

Although Kenya has held firm to a market economy since independence, the competitiveness of this system is weakened by the state's strong position in the economy and the large informal sector. The state owns many enterprises and has monopolies on public services, in part because state and semi-state enterprises are a power base for KANU politicians. The informal sector of the economy is not very competitive, as it is only partially integrated into the market system. This sector is highly important, because as many as six million people are estimated to derive income from it. This informal income often supplements wages and salaries, which are commonly inadequate.

Some progress has been made in liberalizing foreign trade, but, out of consideration for patronage relationships, certain sectors—like the issuance of lucrative import licenses—have not been liberalized. The banking system is well differentiated from the government and is dominated by four banks, which also operate internationally. Most of the banks are competitive. However, because of politically motivated lending without adequate security, some banks have collapsed, requiring expensive intervention by the central bank. Bank supervision is inadequate.

3.2.3 Stability of currency and prices

Since 1990, annual inflation has been in the single digits, with few exceptions. As a rule, it has been around 5 %. In 2000 it was 5.86 %. Economic policy is oriented toward stability and based on budget discipline. Nevertheless, Kenya has a chronic budget deficit, in part since, despite some improvements in administrative efficiency, tax revenues are low and imports usually far exceed exports.

Debt reduction measures have made it possible to cut foreign debt to around \$6 billion. Debt service represents 4.7 % of GDP. In 2000, 17.27 % of revenues from the export of goods and services had to be spent on repaying debt. The exchange rate for the Kenyan shilling floats free. Since the mid-1990s, the country's currency has steadily lost value abroad, but in 2002 it remained stable. The central bank is nominally independent, but the government can influence hiring. An act of Parliament in 2001 (the *Donde Bill*) tied loan interest rates to key lending rates—and thus intervened in the market. A functional stock exchange and a relatively well-differentiated capital market are among the country's potential assets.

3.2.4 Private property

The existence of private property and private business is guaranteed by law. Nonetheless, the state has repeatedly facilitated land grabbing—by intervening in land ownership or by selling land to KANU members and cronies of the regime at far less than its value. The practice of favoring the regime's clientele has also been evident in privatization. The process of privatization, which is a core element of agreements with the IMF, has frequently been delayed for political reasons. Privatization has also resulted in sales to KANU officers and members of the elite, who buy privatized companies at far below their value, to the detriment of other interested parties. This was, for example, the case with *Telcom Kenya*.

3.2.5 Welfare regime

Kenya's social safety net primarily covered those employed in the formal sector, including employees of the state. Thus, most of the Kenyan population was

without social insurance. Even for those employed in the formal sector, the benefits of the state's social security system represented no more than partial coverage, because benefit payments were small and had to be supplemented with private insurance, etc.—an option financially available only to a small fraction of Kenyans. The backbone of social support is the extended family, together with a large number of NGOs and self-help groups, such as savings clubs and the like. Many of these self-help groups survive through the involvement of women. The numerous programs and projects of the Christian denominations are especially important in the social sector. Overall, only the rudiments of a social security system are present. The current system has been unable to keep more and more of the population from slipping below the poverty line since the mid-1990s.

Both for traditional reasons, and because of their extensive economic activity in the informal sector, women have played a central role in the survival of families. Yet women were significantly underrepresented in public life. Certainly, a few women held high office or positions of prominence in politics and society. One example is Wangari Maathai, the leader of the Greenbelt Movement environmental protection organization. A fundamentally patriarchal attitude has kept women from being more broadly represented in management and leadership positions. Members of ethnic groups who do not belong to the government's informal ethnic coalition are systematically disadvantaged in access to government office, civil-service positions or the army. This has been especially so more recently for the Kikuyu, who are numerically the largest ethnic group and who have traditionally dominated the administrative apparatus up until now.

3.2.6 Strength of the economy

The Kenyan economy had low growth rates. It is no exaggeration to speak of economic stagnation. Since the economy grew more slowly than the population's growth rate of approximately 2 %, per capita gross domestic product declined. It dropped 0.84 % in 1999 alone. The current account balance is negative, foreign debt is still too high, and the 1998 investment ratio of roughly 18 % to 19 % is low compared to other countries. The sharp fluctuation in export balances is due to weather-induced fluctuations in production and variations in world market prices for the country's important export products, tea and coffee.

Table: Macroeconomic indicators

	1998	1999	2000	2001	2002
GDP growth (real)*	1.8%	1.4%	-0.2%	1.2%	
Rate of inflation	6.6%	4.8%			
Growth of imports	-3.2%	-6.3%	6.2%	15.6%	-3.2%
Growth of exports	-2%	-5.2%	4.6%	5.7%	5.6%
Current account balance	-2.3%**				
Budget deficit	0.9%	1.7%			
Unemployment					

* Central Bureau of Statistics. Import and export growth: IMF figures from: www.afrol.co./Countries/Kenya/backgr_economic_performance.htm

** Percentage of GDP.

Despite these difficulties, the Kenyan economy has potential for growth. However, omnipresent corruption, a decaying infrastructure, high levels of criminal activity, mismanagement and political stagnation has made the country unable to develop this potential. Hence, foreign investment has been largely absent, and international donors have been reluctant to give loans, or they have approved loans only after protracted negotiations in which they lay down numerous conditions.

3.2.7 Sustainability

For decades, Kenya has given education a high priority. Expenditures on education in 1997 were approximately one-sixth of the state budget. Savings measures under structural adjustment programs have caused the situation to deteriorate. The graduation rate from primary school declined, and poor households were often no longer able to afford to send their children to school. The universities were in ominously poor financial condition, in part because the number of students quadrupled under President Moi. The ratio of women to men at the universities was 1:3. Although women are thus significantly underrepresented in universities, the numbers were balanced in lower schools.

While state educational institutions have suffered from gross financial stress, and they were poorly staffed and poorly equipped, private schools and universities are significantly better off. In all, the educational and vocational training system has been demonstrating increasingly severe deficiencies. In response, many highly qualified university faculty members have left the country.

The country's ecological situation remained tense. There was no attempt to stop overgrazing by over-sized herds, or deforestation, which has led to soil erosion and increasing formation of steppes and deserts. Only 2.3 % of the country is still forested. Kenya also suffered a devastating drought in 2000, which not only hit the traditionally dry northern part of the country but increasingly spread to other areas as well. The country's unique nature reserves, which are of central importance for tourism and thus for hard-currency revenues, have been largely preserved, despite intense population pressure and conflicts over land with residents living in and around the reserves.

4. Trend

(1) *Democracy*: Kenya's development in public participation, the rule of law and the growth of democratic institutions stagnated between 1998 and 2003. Human rights violations and acts of repression continued. The Kenyan government generally blocked efforts at reform by the opposition parties and civil society. Hence, only slight progress was made on the central issue of constitutional reform, one of whose goals was to cut back the president's extensive powers. The progress made since the early 1990s in freedom of opinion and pluralism has been substantially preserved. As the elections at the end of December 2002 showed, the hitherto fragmented opposition parties have demonstrated an ability to learn, because, for the first time, they could agree on a joint candidate and win control of the government.

(2) *Market economy*: The adverse institutional and political conditions in which the Kenyan economy operates have not changed substantially. Moreover, existing potential went unutilized because of endemic corruption, mismanagement, a deteriorating infrastructure and consequent distrust on the part of domestic and foreign investors and donors. Socioeconomic development has basically stagnated. The sharp increase in social inequality shown by the Gini index is based on estimates.

Table: Development of socioeconomic indicators of modernization

	HDI	GDI	GDP index	Gini index	UN Education Index	Political representation of women	GDP per capita, \$, PPP
1998	0.508	0.503	0.38	44.5*	0.70	3.6%**	980
2000	0.513	0.511	-	-	0.72	3.8%****	1022

Sources: <http://undp.org/reports/global/2002>; <http://undp.org/hdr2000.english/FAOs.html>.

* 1994

** Percentage of women in Parliament in 1994.

*** Estimate by COTU (Central Organization of Trade Unions).

**** 2002; additionally, out of 12 appointed delegates, eight are women.

5. Transformation management

5.1 Level of difficulty

Kenya is in the lower middle range in terms of both per capita GDP, measured by purchasing power parities, and the UN Education Index. Thus it counts as a poor country, but not an extremely poor one. Kenyan society is ethnically extremely diverse. There is no majority ethnic group. Traditional rivalries have existed among the six most important groups. Because former President Moi exploited these tensions for political reasons, they have escalated in some regions into violent conflicts, especially over the issue of land. Structures of civil society are confined mostly to the cities, and they can present a certain counterweight against the government, but only the germs of civic culture are present. The state administration was conspicuously corrupt and inefficient.

5.2 Reliable pursuit of goals

Under President Moi, the government first and foremost pursued the goal of staying in power, thereby preserving its access to the country's resources. There was no long-range, fully thought-out policy oriented toward the country's benefit. Any willingness to reform was limited to a few specific areas, and even these reforms were not pursued systematically or were hampered for political reasons—as is most clearly evident in the generally failed reform of the civil service. The government was also increasingly unable to provide even basic services for broad segments of the population. Ambient conditions, including a stunning lack of assurance of justice, permitted only very limited reliability of expectations about the security of one's own economic survival.

5.3 Effective use of resources

The country's resources were not used for sustainable development. To a large degree, this situation arose because of the deficient fight against corruption. Even the highest political office holders were involved in corruption scandals. The civil service continues to be vastly overstuffed. More than 90 % of the state's expenditures were for salaries and interest payments. Civil servants were mostly recruited along ethnic lines. Government debt was high, which meant that necessary investments had to be neglected in order to pay interest.

The administration is decentralized by law. Kenya is divided administratively into eight provinces and 57 districts, as well as a large number of local governments. Because the heads of the district authorities are appointed directly by the office of the president, and because of other political interventions in local government, most administrative bodies represent only an extension of the arm of the governing party. Furthermore, regional and local authorities had little financing

and little autonomy. Regional and local bodies in areas where the opposition parties' influence predominated were at a disadvantage as far as distribution of resources by the central government.

5.4 Governance capability

There were only the rudiments of governance capability in Kenya among those willing and able to make reforms. The government was unwilling to implement fundamental processes for reform, despite deteriorating conditions. The government's essentially failed policies have placed the country in a profound structural crisis.

Forces interested in reform included members of the political and civil-society opposition and a few isolated KANU politicians. Kenya's opposition was, for the most part, heavily fragmented along ethnic and regional lines, and it was led by politicians whose thinking and actions were seldom strategically focused but rather short-term and opportunistic. The opposition's fragmentation also impeded the articulation of clear positions in the constitutional commissions. In an opportunistic play to enhance its power, the National Development Party (NDP) entered into a close, cooperative relationship with KANU. Because of a lack of unity in 1997, the opposition missed its chance for an electoral victory.

5.5 Consensus-building

Any general consensus between the government and the opposition forces about the importance of a market economy and democracy, or the need for reform, existed only on the plane of rhetoric. No strategic accord between the government and opposition was possible. One reason for this situation is that, in Kenya, the relevant actors viewed politics as a zero-sum game. Overall, the government's policies helped intensify the many social, regional and ethnic disparities that already existed, and thus the government heightened the potential for conflict in Kenyan society.

5.6 International cooperation

The Kenyan government worked with bilateral and multilateral international donors, including the IMF and the World Bank. Corruption and a lack of willingness to reform created constant tension in relations with donors, in what became a game of cat and mouse. When donors sharply criticized government policies, withheld loan disbursements or threatened to halt cooperation, the government reacted by announcing reforms, and even took some initial steps toward these reforms. One example was the government decision to appoint Richard Leakey, the head of the Kenya Wildlife Service and a figure highly

regarded abroad, as the head of the civil service. Once donor pressure relaxed, or once changes threatened to affect KANU's power base, the reforms were halted. Many donor states began cooperating almost exclusively with civil society or local contacts, or else the donors have concentrated on humanitarian projects. Overall, developmental cooperation with Kenya dropped appreciably. The overseas development assistance share of GDP dropped from 13.9 % in 1990 to 4.9 % in 2000. Only \$16.7 per capita was sent to Kenya, a low value compared with other African states.

The Kenyan government's foreign-policy behavior was cooperative and free from erratic moves. The country pursued no aggressive policies of any kind toward neighboring states. Kenya was also willing to cooperate actively in the East African Community (EAC). After years of negotiation, the EAC was founded in July 2000 by Kenya, Uganda and Tanzania. The organization seeks broader economic, technical and political cooperation. Since its founding, a regional parliamentary community and a joint court of justice have also been established. It remains to be seen to what extent these advances will lead to viable regional integration.

6. Overall evaluation

In terms of originating conditions, evolution and management, an assessment of the country's development toward democracy and a market economy yields the following results:

(1) Originating conditions: The originating conditions in Kenya were difficult but by no means as catastrophic as other African countries—such as the Democratic Republic of Congo or Rwanda. Unlike these countries, Kenya has not suffered a civil war. The country has a relatively broad and well-educated stratum of academics, commensurate economic know-how and a thoroughly modern and, by African standards, competitive economy (e.g., the capital market). Moreover, it has rich natural resources, which are a prerequisite for developing a high-performance tourism industry. Further, Kenya occupies a key geographical location in East Africa, with important seaports.

The long rule of KANU and President Moi has caused Kenya to slide into a deep economic, social and political crisis since the 1990s, and even before. At the beginning of the period under study, Kenya was a country that had regressed because of poor management. Traditionally tense relations between various ethnic groups had deteriorated severely, mainly because of the government's intentional politicization of ethnicity. Omnipresent corruption, nepotism, cronyism and authoritarian management defined the political routine. The political opposition was completely shattered after the president's electoral victory in 1997, and it was neither especially credible nor able to act.

(2) *Current status and evolution:* All in all, evolution was slight. The process of democratization inaugurated at the beginning of the 1990s remained stalemated. Out of consideration for “hawks” in KANU, the government was unwilling to make substantial reforms in either the economic or the political sector. Virtually no improvement was achieved in the rule of law or democratic institutions. The human rights situation improved only slightly—for example, with the ban on female circumcision. Developments among the opposition were more positive. Fragmentation along ethnic and regional lines still persisted, and the parties were disunited and susceptible to cooptation. Nevertheless, civil society in particular was able to keep the process of constitutional reform alive, and to put pressure on the government.

Economically, the absence of willingness to reform caused the country’s situation to deteriorate, especially in regard to the infrastructure, corruption and security. The government achieved some progress only in privatization and minor reforms, without addressing the long-overdue fundamental reforms.

(3) *Management:* Given the problems mentioned above, the overall verdict on the government’s management performance is negative. Kenya has remained far below its potential. Instead of an ability to manage, the Kenyan government has shown an unwillingness to manage. In the last two years, political life has appeared to be virtually paralyzed, because President Moi was constitutionally unable to run for another term, and the question of who would follow him diverted all of KANU’s energies into a struggle over succession. The political opposition likewise concentrated almost exclusively on the issue of candidacy. The general verdict is more positive for the Kenyan opposition, especially the country’s active civil society. In the constitutional debate, it increasingly developed alternative ideas for a post-Moi Kenya.

7. Outlook

The electoral victory of the Kenyan opposition is a major step forward for democracy in Kenya because, for the first time, power has been transferred in what were essentially free and democratic elections. Moi’s electoral defeat arose from a clear desire for change among the population, so the manipulative tactics applied in previous elections were no longer permitted. Moreover, KANU was split into a variety of factions, and Moi was willing to obey the constitution and not run for another term. With this decision, Moi was clearly attempting to improve his image in history. The peaceful replacement of Moi, whose authoritarian rule had lasted 24 years, is extremely meaningful for all of Africa, especially in light of the crisis in Zimbabwe and the setbacks suffered by various democratic movements over the past few years. However, it is still unclear whether the transfer of power will lead to a real change in the system—or how extensive these changes may be.

The new president must be measured by whether he is willing and able to keep his election promises of fighting corruption, getting the economy moving again and putting into effect a new constitution that weakens the excessive powers of the president, and thus his own position. His job is complicated by the fact that the new government does not have the parliamentary majority needed to amend the constitution, so it will be forced to cooperate with the KANU or other parties on these issues. President Kibaki has already announced promising steps toward reform, such as introducing a new constitution, and has kept his campaign promise to eliminate fees for attending primary school. This change caused chaos in the schools, which were unable to handle the crushing influx of students—a clear indication of the desolate state Kenya had reached after 24 years of Moi's rule.

Given the Herculean tasks facing the new government—restarting the economy, halting social impoverishment and guaranteeing a minimum level of protection against criminal activity—the population's extremely high expectations will probably be disappointed. Many observers also doubt that Kibaki is willing and able to institute a course of decisive reforms if the changes are against the interests of the former power elite. After all Kibaki comes from this old elite. He was a minister under Kenyatta and Moi, prior to 1988, when a break occurred with Moi and he lost his position as minister of finance. The new cabinet list includes many qualified reformers, but also familiar names like George Saitoti, the former long-term vice-president, an influential figure enveloped in a cloud of scandal. Meanwhile, the stability of the opposition alliance of 16 groups and parties is questionable. It could also be argued that the NAC's majority in parliament, with 132 out of 224 delegates, might survive the secession of smaller groups. Another politically explosive issue is the investigation of corruption and human rights violations under the old regime. So far, the government has not yet stated its position on this problem, which is debated in Kenya under the label of "transitional justice."

All in all, the path of democratic consolidation in Kenya will be difficult. However, Kibaki has perhaps given a positive sign by announcing that, unlike the previous presidents, he will not permit his portrait to appear on bank notes.